

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

In the Matter of the Application of)
MOLOKAI PUBLIC UTILITIES, INC.)
For Review and Approval of Rate)
Increases, Revised Rate Schedules,)
and Revised Rules.)

DOCKET NO. 2009-0048

NOTICE OF EVIDENTIARY HEARING

The PUBLIC UTILITIES COMMISSION of the STATE OF HAWAII ("Commission") will hold an evidentiary hearing on the above-referenced docket, as follows:

DATE: May 11 - 13, 2010*

TIME: 9:00 A.M.

LOCATION: Public Utilities Commission
Hearing Room, B-3
Kekuanaoa Building
465 South King Street
Honolulu, Hawaii

*Will continue until completed, subject to the call of the Chairman.

The Parties are MOLOKAI PUBLIC UTILITIES, INC. ("MPU"), MOLOKAI PROPERTIES LIMITED, the COUNTY OF MAUI, WEST MOLOKAI ASSOCIATION, and the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY. As set forth in the Statement of the Issues Section of the Order Approving Proposed Procedural Order, as Modified, filed on November 6, 2009 ("Procedural Order"), the issues to be considered by the Commission at the evidentiary hearing are:

1. Are MPU's proposed rate increases just and reasonable?
 - a. Are the proposed tariffs, rates, and charges just and reasonable?
 - b. Are the revenue forecasts for the July 1, 2009 to June 30, 2010 Test Year ("Test Year") at present rates and proposed rates just and reasonable?
 - c. Are the projected operating expenses for the Test Year just and reasonable?
 - d. Is the projected rate base for the Test Year just and reasonable, and are the properties included in the rate base used or useful for public utility purposes?
 - e. Is the rate of return requested fair?
2. Does the Applicant's water service comply with applicable federal, state, and county water quality laws, rules and regulations?

The scope of the issues will include the Commission's review of the following components, accounts, tariff, and other matters, as follows:

Revenues

Customer Charge
Usage Charge
Other
Connection Fees
Late Fees

Expenses

Labor, Payroll Taxes, Employee Benefits
Fuel and Power
Department of Agriculture - Rental Service
Cost of Sales
Materials and Supplies
Affiliated Charges
Professional and Outside Services
Repairs and Maintenance
Insurance
Regulatory Expense
General and Administrative

Taxes Other Than Income Taxes
Depreciation
Amortization of Contributions-in-aid-of-Construction
("CIAC")
Income Taxes

Rate Base
Net Plant-in-Service

Net CIAC
Customer Advances
Customer Deposits
Accumulated Deferred Income Taxes
Unamortized Hawaii State Capital Goods Excise Tax
Credit
Working Capital

Rate of Return

Rate Design, including the phase-in of any increases in rates and charges approved by the Commission.


Tariff Rules, including MPU's requests to: (A) establish an Automatic Power Cost Adjustment Clause for its electricity expense; (B) establish a Purchased Fuel Adjustment Clause for the fuel component of its water costs; and (C) increase its deposit fee and service reconnection fee.

Related Matters
Accounting/Allocation Procedures
Excess Capacity
Lost and Unaccounted for Water
Molokai Irrigation System
Well 17

The Commission's review and disposition of the above-referenced issues will necessarily involve the application of HRS Chapter 269, including HRS §§ 269-16 and 269-19.5.

Any party may retain legal counsel if the party so desires. An individual may appear on the individual's behalf, or a member of a partnership may represent the partnership, or an

officer or authorized employee of a corporation or trust or association may represent the corporation, trust, or association.


ELEANOR TUIASOSOPO, ACTING CHIEF CLERK

DATED: MAR - 8 2010

CERTIFICATE OF SERVICE

The foregoing Notice was served on the date of filing by mail, postage prepaid, and properly addressed to the following parties:

DEAN K. NISHINA
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P. O. Box 541
Honolulu, HI 96809
(CM #7002 2410 0000 3807 5975)

MICHAEL H. LAU, ESQ.
YVONNE Y. IZU, ESQ.
SANDRA L. WILHIDE, ESQ.
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, HI 96813
(CM #7002 2410 0000 3807 5982)

Counsel for MOLOKAI PUBLIC UTILITIES, INC.

MARGERY S. BRONSTER, ESQ.
JEANNETTE H. CASTAGNETTI, ESQ.
BRONSTER HOSHIBTA
1003 Bishop Street
2300 Pauahi Tower
Honolulu, HI 96813
(CM #7002 2410 0000 3807 5999)

Counsel for the COUNTY OF MAUI

WILLIAM W. MILKS, ESQ.
LAW OFFICE OF WILLIAM W. MILKS
ASB Tower, Suite 977
1001 Bishop Street
Honolulu, HI 96813
(CM #7002 2410 0000 3807 6002)

Counsel for WEST MOLOKAI ASSOCIATION

Certificate of Service

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ANDREW V. BEAMAN, ESQ.
CHUN KERR DODD BEAMAN & WONG
745 Fort Street, 9th Floor
Honolulu, HI 96813
(CM #7002 2410 0000 3807 6019)

Counsel for MOLOKAI PROPERTIES LIMITED